



**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF TUCSON, ARIZONA**
Special Meeting
Friday, August 23, 2019
3:00 p.m.

Business Development Finance Corporation
333 N. Wilmot Road, Suite 227
Tucson, Arizona 85711
And Via Teleconference

Minutes

Present: Board Members Neal Eckel, via teleconference
Sandra Barton, via teleconference
Judy Clinco, via teleconference
Mimi Noshay-Petro, via teleconference
Patricia Schwabe, via teleconference
Meredith Aronson, via teleconference

Advisors Charles Lotzar, Lotzar Law Firm, PC, via teleconference
Gary Molenda, BDFC Advisor Services, LLC
Gabriel Gomez, BDFC Advisor Services, LLC

Absent Larry Lucero

The Special Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on **August 23, 2019**, at the office of Business Development Finance Corporation, 333 N. Wilmot Road, Suite 227, Tucson, Arizona 85711. All Authority’s Board Members and the general public were duly notified of the meeting. C. Lotzar had informed the Authority’s Board of Directors that Arizona’s Open Meeting Laws allow for members of the Authority’s Board of Directors and legal counsel to appear and participate in the meeting telephonically so long as all participants in the meeting can hear and be heard.

ITEM	ACTION TAKEN/TO BE TAKEN
1. Call to Order	The meeting was called to order by Mr. Eckel at 3:02 p.m.
<p>2. Status report concerning recommendation from the Loan Review Committee concerning a request from Business Development Finance Corporation (“BDFC”) for participation in a loan with BDFC in an amount not to exceed \$70,000 related to BDFC’s loan to Kingan Place, LLC for its business to be operated at 325 W. Franklin Street, Tucson, Arizona 85701, and request for resolution for all actions related hereto.</p> <p>S. Barton declared a conflict in connection with this matter and she did not participate in discussion or vote. Ms. Barton’s presence was not included in consideration of a quorum.</p> <p>G. Gomez reviewed the request for participation in a loan with Business Development Finance Corporation (“BDFC”) to Kingan Place, LLC as follows:</p>	<p>A MOTION was made and seconded (M. Petro/M. Aronson) to accept the recommendation of the Loan Review Committee and approve participation in a loan with BDFC, in an amount not to exceed \$70,000, related to the loan to Kingan Place, LLC, as presented.</p> <p>Approved 5-0</p>

<p>Borrower: Kingan Place LLC</p> <p>Participation with Alliance Bank: \$175,000</p> <p>BDFC Loan Total: \$140,000</p> <p>The Authority's Participation Amount: \$70,000 the Authority's participation in BDFC loan.</p> <p>Permanent Loan: 10 year Term - 20 year Amortization.</p> <p>Interest Rate to the Authority: 5.5% (4.5% net of 100 basis point servicing fee to BDFC), fixed for 5 years, and then reset to the 10 year Treasury plus 3.50%.</p> <p>Total Project Cost: \$350,000.</p> <p>Project Address: 329 W. Franklin St, Tucson, Arizona.</p> <p>Purpose: Purchase commercial property Basis of eligibility: Section 3(a) of Loan Policy – Economic Development Promoting downtown development Job creation: 3-5 Full -time Equivalents Woman Owned Business</p> <p>Collateral: 2nd Deed of Trust on commercial property located at: 329 W. Franklin Street, Tucson, Arizona.</p> <p>G. Gomez stated that this is the second loan request from this Borrower. The Authority participated with BDFC in the first loan that funded in 2017 to purchase the current building at 325 W. Franklin Street, Tucson, Arizona. The Borrower has an excellent payment history, with no delinquencies.</p> <p>G. Gomez stated that the Borrower is requesting this loan to purchase the land and building at 329 W. Franklin Street, Tucson, Arizona; which is adjacent to the current building/business at 325 W. Franklin Street, Tucson, Arizona.</p> <p>The purchase of the building; which has a courtyard that is adjacent to the current courtyard, will allow for expansion of the wedding venue to accommodate larger weddings. Wedding sizes will increase from 150 current maximum capacity to 250 capacity.</p> <p>The building component has 3 vacant rooms which the Borrower will convert to a beauty co-op to rent out by the hour to beauty consultants. The consultants that the Borrower will market to generally offer their services part-time; there are currently 25 consultants interested in this part-time space.</p> <p>Discussion ensued including the following:</p> <ul style="list-style-type: none"> • It was noted that historical debt was reviewed, and the existing business can support the new debt. • Excellent reviews on wedding sites. 	<p>(S. Barton did not participate or vote).</p>
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<ul style="list-style-type: none"> • Great location – downtown Tucson. • Bookings: booked for the remainder of the year and weekends through 2020. • Good project and logical expansion. • Bartending 101 is a guarantor on the loan. <p>C. Lotzar stated for the record that his law firm does not participate in these small loans, noting that BDFC is more than capable to originate, underwrite and document these types of loans.</p>	
3. Status report concerning recommendation from the Loan Review Committee regarding revisions to the Authority’s Community Loan Policy, process, and/or loan programs and request for resolution for any action related thereto.	No action taken.
4. Call to the Public	No action taken
5. Adjourn	A MOTION was made and seconded (J. Clinco / M. Aronson) to adjourn the meeting at 3:15 p.m. Approved 6-0

Submitted by:

Approved by:

Karen J. Valdez
BDFC Advisor Services, LLC

Neal Eckel, 1st Vice President
The Industrial Development Authority of the
City of Tucson, Arizona